

**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

Department of the Treasury  
Internal Revenue Service

**A** For the 2004 calendar year, or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

**B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Final return  
 Amended return  
 Application pending

Please use IRS label or print or type. See Specific Instructions.

**C** Name of organization  
**Mercy-USA For Aid & Development, Inc**

Number and street (or P.O. box if mail is not delivered to street address) Room/suite  
**44450 Pinetree Drive 201**

City or town, state or country, and ZIP + 4  
**Plymouth MI 481703869**

**D** Employer identification no.  
**38-2846307**

**E** Telephone number  
**734-454-0011**

**F** Accounting method:  Cash  Accrual  Other (specify) \_\_\_\_\_

▶ Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

**G** Website: ▶ **www.mercyusa.org**

**J** Organization type (check only one) ▶  501(c) ( **3** ) ◁ (insert no.)  4947(a)(1) or  527

**K** Check here  if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

H and I are not applicable to section 527 organizations.

**H(a)** Is this a group return for affiliates?  Yes  No

**H(b)** If "Yes," enter number of affiliates ▶ \_\_\_\_\_

**H(c)** Are all affiliates included?  Yes  No (If "No," att. a list. See instr.)

**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No

**I** Group Exemption Number ▶ \_\_\_\_\_

**M** Check  if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

**L** Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **5,088,170**

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See page 18 of the instructions.)

<b>R e v e n u e</b>	<b>1</b> Contributions, gifts, grants, and similar amounts received:				
	<b>a</b> Direct public support	1a	<b>1,508,295</b>		
	<b>b</b> Indirect public support	1b	<b>207,712</b>		
	<b>c</b> Government contributions (grants)	1c	<b>3,342,432</b>		
	<b>d</b> Total (add lines 1a through 1c) (cash \$ <b>3,999,909</b> noncash \$ <b>1,058,530</b> )	1d		<b>5,058,439</b>	
	<b>2</b> Program service revenue including government fees and contracts (from Part VII, line 93)	2		<b>630</b>	
	<b>3</b> Membership dues and assessments	3			
	<b>4</b> Interest on savings and temporary cash investments	4			
	<b>5</b> Dividends and interest from securities	5		<b>27,351</b>	
	<b>6a</b> Gross rents	6a			
	<b>b</b> Less: rental expenses	6b			
	<b>c</b> Net rental income or (loss) (subtract line 6b from line 6a)	6c			
<b>7</b> Other investment income (describe _____)	7				
<b>8a</b> Gross amount from sales of assets other than inventory	(A) Securities	8a	<b>1,710</b>		
	(B) Other	8b			
		8c	<b>1,710</b>		
	<b>d</b> Net gain or (loss) (combine line 8c, columns (A) and (B))	8d	<b>See Stmt 1</b>	<b>1,710</b>	
<b>9</b> Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>					
<b>a</b> Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a				
<b>b</b> Less: direct expenses other than fundraising expenses	9b				
<b>c</b> Net income or (loss) from special events (subtract line 9b from line 9a)	9c				
<b>10a</b> Gross sales of inventory, less returns and allowances		10a			
	<b>b</b> Less: cost of goods sold	10b			
	<b>c</b> Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
<b>11</b> Other revenue (from Part VII, line 103)	11		<b>40</b>		
<b>12</b> Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		<b>5,088,170</b>		
<b>E x p e n s e s</b>	<b>13</b> Program services (from line 44, column (B))	13		<b>4,415,289</b>	
	<b>14</b> Management and general (from line 44, column (C))	14		<b>427,919</b>	
	<b>15</b> Fundraising (from line 44, column (D))	15		<b>91,729</b>	
	<b>16</b> Payments to affiliates (attach schedule)	16			
	<b>17</b> Total expenses (add lines 16 and 14, column (A))	17		<b>4,934,937</b>	
<b>A s s e t s</b>	<b>18</b> Excess or (deficit) for the year (subtract line 17 from line 12)	18		<b>153,233</b>	
	<b>19</b> Net assets or fund balances at beginning of year (from line 73, column (A))	19		<b>2,251,479</b>	
	<b>20</b> Other changes in net assets or fund balances (attach explanation) <b>See Statement 2</b>	20		<b>92,597</b>	
	<b>21</b> Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		<b>2,497,309</b>	

**Part II Statement of Functional Expenses** All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See page 22 of the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) <b>Stmt 3</b> (cash \$ <b>213,920</b> non-cash \$ )	22 <b>213,920</b>	<b>213,920</b>		
23 Specific assistance to individuals	23			
24 Benefits paid to or for members	24			
25 Compensation of officers, directors, etc.	25			
26 Other salaries and wages	26 <b>706,095</b>	<b>513,830</b>	<b>192,265</b>	
27 Pension plan contributions	27			
28 Other employee benefits	28 <b>73,476</b>	<b>33,123</b>	<b>40,353</b>	
29 Payroll taxes	29 <b>16,675</b>		<b>16,675</b>	
30 Professional fundraising fees	30			
31 Accounting fees	31 <b>33,723</b>	<b>2,473</b>	<b>31,250</b>	
32 Legal fees	32 <b>27,479</b>	<b>7,091</b>	<b>20,388</b>	
33 Supplies	33 <b>27,604</b>	<b>23,694</b>	<b>3,910</b>	
34 Telephone	34 <b>49,461</b>	<b>44,857</b>	<b>4,604</b>	
35 Postage and shipping	35 <b>28,887</b>	<b>1,662</b>	<b>7,868</b>	<b>19,357</b>
36 Occupancy	36 <b>105,300</b>	<b>72,051</b>	<b>33,249</b>	
37 Equipment rental and maintenance	37			
38 Printing and publications	38 <b>17,483</b>	<b>1,666</b>	<b>8,685</b>	<b>7,132</b>
39 Travel	39 <b>102,781</b>	<b>70,012</b>	<b>5,811</b>	<b>26,958</b>
40 Conferences, conventions, and meetings	40 <b>2,802</b>		<b>2,802</b>	
41 Interest	41			
42 Depreciation, depletion, etc. (attach schedule)	42 <b>23,286</b>	<b>19,393</b>	<b>3,893</b>	
43 Other expenses not covered above (itemize): a	43a			
b <b>See Statement 4</b>	43b <b>3,505,965</b>	<b>3,411,517</b>	<b>56,166</b>	<b>38,282</b>
c	43c			
d	43d			
e	43e			
44 Total functional expenses (add lines 22 - 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15	44 <b>4,934,937</b>	<b>4,415,289</b>	<b>427,919</b>	<b>91,729</b>

Joint Costs. Check  if you are following SOP 98-2.  
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_; (ii) the amount allocated to Program services \$ \_\_\_\_\_;  
 (iii) the amount allocated to Management and general \$ \_\_\_\_\_; and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments** (See page 25 of the instructions.)

What is the organization's primary exempt purpose?	Program Service Expenses (Required for 501(c)(3) & (4) orgs., & 4947(a)(1) trusts, but optional for others.)
▶ <b>See Statement 5</b> All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	
a <b>Food, Shelter &amp; Orphan Assistance-To provide food, shelter, winter supplies and other household and/or personal items.</b>	
(Grants and allocations \$ <b>155,920</b> )	<b>497,629</b>
b <b>See Statement 6</b>	
(Grants and allocations \$ <b>58,000</b> )	<b>253,390</b>
c <b>See Statement 7</b>	
(Grants and allocations \$ )	<b>2,042,728</b>
d <b>See Statement 8</b>	
(Grants and allocations \$ )	<b>1,396,949</b>
e Other program services (attach schedule) <b>See Stmt 9</b>	(Grants and allocations \$ <b>0</b> ) <b>224,593</b>
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	<b>4,415,289</b>

**Part IV Balance Sheets** (See page 25 of the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.				(A)		(B)
				Beginning of year		End of year
A s s e t s	45	Cash-non-interest-bearing		3,473,226	45	2,743,587
	46	Savings and temporary cash investments			46	
	47a	Accounts receivable	47a 225,506			
	b	Less: allowance for doubtful accounts	47b	133,287	47c	225,506
	48a	Pledges receivable	48a			
	b	Less: allowance for doubtful accounts	48b		48c	
	49	Grants receivable			49	
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)			50	
	51a	Other notes and loans receivable (attach schedule) <b>See Worksheet</b>	51a 4,471			
	b	Less: allowance for doubtful accounts	51b	8,600	51c	4,471
	52	Inventories for sale or use			52	1,820,595
	53	Prepaid expenses and deferred charges		4,840	53	8,219
	54	Investments-securities <b>See Statement 10</b> <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		364,591	54	406,103
	L i a b i l i t i e s	55a	Investments-land, buildings, and equipment: basis	55a		
b		Less: accumulated depreciation (attach schedule)	55b		55c	
56		Investments-other (attach schedule)			56	
57a		Land, buildings, and equipment: basis	57a 216,924			
b	Less: accumulated depreciation (attach schedule) <b>See Statement 11</b>	57b 141,411	89,034	57c	75,513	
58	Other assets (describe <b>See Statement 12</b> )		20,908	58	20,909	
59	<b>Total assets</b> (add lines 45 through 58) (must equal line 74)		4,094,486	59	5,304,903	
N F e u n d A s s e t s	60	Accounts payable and accrued expenses		131,989	60	502,119
	61	Grants payable			61	
	62	Deferred revenue <b>See Statement 13</b>		1,711,018	62	2,305,475
	63	Loans from officers, directors, trustees, and key employees (attach schedule)			63	
	64a	Tax-exempt bond liabilities (attach schedule)			64a	
	b	Mortgages and other notes payable (attach schedule)			64b	
	65	Other liabilities (describe _____)			65	
66	<b>Total liabilities</b> (add lines 60 through 65)		1,843,007	66	2,807,594	
N F e u n d A s s e t s	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.					
	67	Unrestricted		2,249,231	67	2,485,943
	68	Temporarily restricted		2,248	68	11,366
	69	Permanently restricted			69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.					
	70	Capital stock, trust principal, or current funds			70	
	71	Paid-in or capital surplus, or land, building, and equipment fund			71	
	72	Retained earnings, endowment, accumulated income, or other funds			72	
73	<b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)		2,251,479	73	2,497,309	
74	<b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73)		4,094,486	74	5,304,903	

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.  
DAA



**Part VI Other Information (See page 28 of the instructions.)**

Yes No

76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77		X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a		X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a		X
b	If "Yes," enter the name of the organization and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.			
81a	Enter direct and indirect political expenditures. See line 81 instructions	81a		
b	Did the organization file Form 1120-POL for this year?	81b		X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X	
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) See Stmt 15	82b	10,000	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	N/A	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	N/A	
c	Dues, assessments, and similar amounts from members	85c		
d	Section 162(e) lobbying and political expenditures	85d		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A	
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12	86a		
b	Gross receipts, included on line 12, for public use of club facilities	86b		
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders	87a		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88		X
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <u>0</u> ; section 4912 <u>0</u> ; section 4955 <u>0</u>			
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958			0
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization			0
90a	List the states with which a copy of this return is filed <u>CA IL MI</u>			
b	Number of employees employed in the pay period that includes March 12, 2004 (See instructions.)	90b		
91	The books are in care of <u>Umar-Al-Qadi</u> Telephone no. <u>734-454-0011</u> Located at <u>Plymouth, MI</u> ZIP + 4 <u>48170</u>			
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <u>92</u>			

**Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)**

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by sec. 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					630
a <b>Program Fees</b>					
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	27,351	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					1,710
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					40
b <b>Sales</b>					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0		27,351	2,380
105 Total (add line 104, columns (B), (D), and (E))					29,731

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions.)**

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
96	Income generated is utilized for achieving the goals of the organization.

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)**

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)**

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

6/17/05  
Date

Umar al-Qadi / President and CEO  
Type or print name and title

**SCHEDULE A**  
(Form 990 or 990-EZ)

**Organization Exempt Under Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

OMB No. 1545-0047

**2004**

**Supplementary Information-(See separate instructions.)**

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Department of the Treasury  
Internal Revenue Service

Name of the organization

Employer identification number

**Mercy-USA For Aid & Development, Inc**

**38-2846307**

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to empl. ben. plans & deferred comp.	(e) Expense account and other allowances
NONE				
Total number of other employees paid over \$50,000 ▶				

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services ▶		

For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2004

**Part III Statements About Activities** (See page 2 of the instructions.)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ (Must equal amounts on line 38, Part VI-A, or line I of Part VI-B.)		X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
e Transfer of any part of its income or assets?		X
3a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.)		X
b Do you have a section 403(b) annuity plan for your employees?		X
4a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X
b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		X

**Part IV Reason for Non-Private Foundation Status** (See pages 3 through 6 of the instructions.)

The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5  A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6  A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7  A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8  A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9  A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ►
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b  A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions-subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14  An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)



**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	2,935,647	8,386,738	4,409,079	5,624,558	21,356,022
16 Membership fees received					0
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	490	548	320	4,711	6,069
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	46,576	29,728	45,179	76,573	198,056
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					0
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets. <b> Stmt 16</b>	4,650	491	10		5,151
23 Total of lines 15 through 22	2,987,363	8,417,505	4,454,588	5,705,842	21,565,298
24 Line 23 minus line 17	2,986,873	8,416,957	4,454,268	5,701,131	21,559,229
25 Enter 1% of line 23	29,874	84,175	44,546	57,058	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 431,185
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 0
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 21,559,229
d Add: Amounts from column (e) for lines: 18 198,056 19 _____					26d 203,207
22 5,151 26b _____					26e 21,356,022
e Public support (line 26c minus line 26d total)					26f 99.0574%
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: (2003) (2002) (2001) (2000)					N/A
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2003) (2002) (2001) (2000)					N/A
c Add: Amounts from column (e) for lines: 15 _____ 16 _____					27c _____
17 _____ 20 _____ 21 _____					27d _____
d Add: Line 27a total _____ and line 27b total _____					27e _____
e Public support (line 27c total minus line 27d total)					27f _____
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)					27g _____ %
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27h _____ %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

**Part V Private School Questionnaire (See page 7 of the instructions.)**  
**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

	N/A	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? .....	29		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? .....	30		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? .....	31		
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			
.....			
.....			
.....			
32 Does the organization maintain the following:			
a Records indicating the racial composition of the student body, faculty, and administrative staff? .....	32a		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? .....	32b		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? .....	32c		
d Copies of all material used by the organization or on its behalf to solicit contributions? .....	32d		
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			
.....			
.....			
33 Does the organization discriminate by race in any way with respect to:			
a Students' rights or privileges? .....	33a		
b Admissions policies? .....	33b		
c Employment of faculty or administrative staff? .....	33c		
d Scholarships or other financial assistance? .....	33d		
e Educational policies? .....	33e		
f Use of facilities? .....	33f		
g Athletic programs? .....	33g		
h Other extracurricular activities? .....	33h		
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			
.....			
.....			
34a Does the organization receive any financial aid or assistance from a governmental agency? .....	34a		
b Has the organization's right to such aid ever been revoked or suspended? .....	34b		
If you answered "Yes" to either 34a or b, please explain using an attached statement.			
.....			
35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation .....	35		

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions.)

(To be completed **ONLY** by an eligible organization that filed Form 5768) **N/A**

Check **a** if the organization belongs to an affiliated group. Check **b** if you checked "a" and "limited control" provisions apply.

**Limits on Lobbying Expenditures**

(The term "expenditures" means amounts paid or incurred.)

	(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount. Enter the amount from the following table-		
<b>If the amount on line 40 is-</b>		
Not over \$500,000		
Over \$500,000 but not over \$1,000,000		
Over \$1,000,000 but not over \$1,500,000		
Over \$1,500,000 but not over \$17,000,000		
Over \$17,000,000		
<b>The lobbying nontaxable amount is-</b>		
20% of the amount on line 40		
\$100,000 plus 15% of the excess over \$500,000		
\$175,000 plus 10% of the excess over \$1,000,000	41	
\$225,000 plus 5% of the excess over \$1,500,000		
\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42	
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44 Subtract line 41 from line 36. Enter -0- if line 41 is more than line 36	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.)

See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h.)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
i Total lobbying expenditures (Add lines c through h.)			

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.



**Other Notes and Loans Receivable**

Forms  
**990 / 990-PF**

**2004**

For calendar year 2004, or tax year beginning , and ending

Name **Mercy-USA For Aid & Development, Inc** Employer Identification Number **38-2846307**

**Form 990, Part IV, Line 51a - Additional Information**

Name of borrower	Relationship to disqualified person
(1) <b>Notes Receivable</b>	
(2) <b>Travel Advance</b>	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year	Fair market value (990-PF only)
(1)	<b>8,600</b>	<b>1,000</b>	
(2)		<b>3,471</b>	
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
<b>Totals</b>	<b>8,600</b>	<b>4,471</b>	

**Federal Statements**

Statement 1 - Form 990, Part I, Line 8c - Sale of Assets Other Than Inventory - Other

Desc	How Rec'd	Whom Sold	Date Acquired	Date Sold	Sale Price	Cost & Expense	Deprec	Gain/ -Loss
Office Equipment	Purchase				\$ 1,710	\$	\$	1,710
<b>Total</b>					<u>\$ 1,710</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>1,710</u>

**Federal Statements**

**Statement 2 - Form 990, Line 20 - Other Changes in Net Assets or Fund Balances**

<u>Description</u>	<u>Amount</u>
Net Unrealized Gains on Investments	\$ 54,811
Oth Amts Included on Financial Stmt's Not on Return	<u>37,786</u>
Total	<u>\$ 92,597</u>

## Federal Statements

### Statement 3 - Form 990, Part II, Line 22 - Grants, Allocations and Contributions

Name Address	Date of Gift	Description of Property	Relationship to Org		Class of Activity			BV Explantrn	FMV Explantrn
			Cash Contrib	NonCash Contrib	Book Value	Health	Food Aid		
Islamic Aid/Bangladesh			\$ 10,000		\$				
Islamic Aid/Bangladesh			75,920						
Afmi Charitable Trust			48,000						
United Economic Forum			80,000						
Total			\$ 213,920		\$ 0				



GRANT SCHEDULE

Grant Designation	Name of Recipient	Grant Purpose	Amount
Bangladesh Assistance	Islamic Aid / Bangladesh	Health Care in Bangladesh	10,000
		Food Aid in Bangladesh	75,920
			<u>85,920</u>
India Assistance	Afmi Charitable Trust United Economic Forum	Health Care in India	48,000
		Food Aid in India	80,000
			<u>128,000</u>
<b>Total Grants</b>			<u>213,920</u>

**Federal Statements****Statement 4 - Form 990, Part II, Line 43 - Other Functional Expenses**

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
	\$	\$	\$	\$
Expenses				
Scholarships	2,640	2,640		
Advertising	54,280		29,522	24,758
Transportation	55,330	54,451	879	
Insurance	6,519		6,519	
Professional Fees	35,416	35,416		
Program Materials	3,276,222	3,276,222		
Bank Charges/Currency Fluct.	16,823	-8,589	11,888	13,524
Indirect Cost	49,480	49,480		
Dues, Subscriptions	7,358		7,358	
Loss on Sale of Assets	1,897	1,897		
<b>Total</b>	<b>\$ 3,505,965</b>	<b>\$ 3,411,517</b>	<b>\$ 56,166</b>	<b>\$ 38,282</b>

**Statement 5 - Form 990, Part III - Organization's Primary Exempt Purpose**

Mercy-USA is involved in relief and development for individuals and communities providing economic vitalization, health care, food, shelter and education.

**Statement 6 - Form 990, Part III, Line b - Statement of Program Service Accomplishments**

Health Services-To improve individual and community health education, immunization and other preventive measures. It also includes operation of clinics, hospitals and other health care facilities.

**Statement 7 - Form 990, Part III, Line c - Statement of Program Service Accomplishments**

Economic Vitalization-To provide ways for needy individuals and communities to sustain themselves and to improve their quality of life and provide assistance in reviving economies of communities devastated by disaster.

**Statement 8 - Form 990, Part III, Line d - Statement of Program Service Accomplishments**

Education-To provide basic and higher academic education, vocational & technical training to children and adults; the improvement, rehabilitation and renovation of the existing educational infrastructure.

**Statement 9 - Form 990, Part III, Line e - Other Program Services**

General Program- General program includes all ancillary program services needed to maintain and enhance the specific program sectors.

**Federal Statements****Statement 10 - Form 990, Part IV, Line 54 - Investments in Securities**

Description	Beginning of Year	End of Year	Basis of Valuation
Corporate Stock Investments	364,591	406,103	Market
	<u>364,591</u>	<u>406,103</u>	

**Statement 11 - Form 990, Part IV, Line 57 - Land, Buildings, and Equipment**

Description	Beginning of Year	Accum Deprec	End of Year	Accum Deprec
Automobile	\$ 115,199	\$ 41,631	\$ 113,962	\$ 49,941
Office Equipment	83,135	68,820	80,108	70,430
Office Furniture	5,862	5,451	7,617	5,803
Audio Visual	10,709	10,708	10,592	10,592
Others	4,645	3,906	4,645	4,645
Total	<u>\$ 219,550</u>	<u>\$ 130,516</u>	<u>\$ 216,924</u>	<u>\$ 141,411</u>

**Statement 12 - Form 990, Part IV, Line 58 - Other Assets**

Description	Beginning of Year	End of Year
Security Deposits	\$ 5,600	\$ 5,600
Advances to Subcontractors	15,308	15,309
Total	<u>\$ 20,908</u>	<u>\$ 20,909</u>

**Statement 13 - Form 990, Part IV, Line 62 - Deferred Revenue**

Description	Beginning of Year	End of Year
Advances from US Dept. of Agriculture	\$ 1,711,018	\$ 2,282,198
U.S. Embassy in Nairobi, Kenya		23,277
Total	<u>\$ 1,711,018</u>	<u>\$ 2,305,475</u>

**Statement 14 - Form 990, Part IV-A - Other Revenue Included on Financial Statements**

<u>Description</u>	<u>Amount</u>
Gain on Foreign Currency Fluctuation	\$ 37,786
Total	<u>\$ 37,786</u>

# Federal Statements

## Statement 15 - Form 990, Part VI, Line 82b - Donated Services

<u>Description</u>	<u>Amount</u>
Volunteer Services	\$ 10,000
Total	<u>\$ 10,000</u>

**Federal Statements****Statement 16 - Schedule A, Part IV-A, Line 22 - Other Income**

<u>Description</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Sales	\$ 120	\$ 491	\$ 10	\$
Gain on Sale of Assets	4,530			
Total	<u>\$ 4,650</u>	<u>\$ 491</u>	<u>\$ 10</u>	<u>\$ 0</u>

Mercy-USA for Aid and Development, Inc.  
**LIST OF OFFICERS, DIRECTORS, AND KEY EMPLOYEES**

2004  
 EIN: 38-2846307

NAME & ADDRESS	HOURS	TITLE	COMPENSATION	BENEFITS	EXPENSE ACCOUNT
Zakia Mahasa 44450 Pinetree Dr #201 Plymouth, MI 48170	1	ChairPerson	0	0	0
Syed Salman 44450 Pinetree Dr #201 Plymouth, MI 48170	1	Treasurer	0	0	0
Mr. Faizil Baksh 44450 Pinetree Dr #201 Plymouth, MI 48170	1	Board Member	0	0	0
Dr. Ali El-Menshawi 44450 Pinetree Dr #201 Plymouth, MI 48170	1	Board Member	0	0	0
Umar al-Qadi 44450 Pinetree Dr #201 Plymouth, MI 48170	40	President & CEO	60,300	12,487	0
Anas Alhaidar 44450 Pinetree Dr #201 Plymouth, MI 48170	40	Director, Community Relations & CFO	54,400	11,544	0

Form **8868**

(Rev. December 2004)

# Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

Department of the Treasury  
Internal Revenue Service

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

## Part I Automatic 3-Month Extension of Time- Only submit original (no copies needed)

Form 990-T corporations requesting an automatic 6-month extension-check this box and complete Part I only

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

**Electronic Filing (e-file).** Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile).

Type or print  File by the due date for filing your return. See instructions.	Name of Exempt Organization <b>Mercy-USA For Aid &amp; Development Inc</b>	Employer identification number <b>38-2846307</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>44450 Pinetree 201</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>Plymouth MI 48170-3869</b>	

Check type of return to be filed (file a separate application for each return):

- |  |   |                                    |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation)                 | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL         | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ         | <input type="checkbox"/> Form 990-T (trust other than above)      | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF         | <input type="checkbox"/> Form 1041-A                              | <input type="checkbox"/> Form 8870 |

● The books are in the care of ▶ .....

Telephone No. ▶ ..... FAX No. ▶ .....

● If the organization does not have an office or place of business in the United States, check this box

● If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) ..... If this is for the **whole** group, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-months for a Form 990-T corporation) extension of time until 8/15/05 to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
▶  calendar year 2004 or  
▶  tax year beginning ..... and ending .....

2 If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions ..... \$ \_\_\_\_\_

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit ..... \$ \_\_\_\_\_

c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions ..... \$ \_\_\_\_\_

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Form **8868** (Rev. 12-2004)